

CALIFORNIA COASTAL COMMISSION

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**W15a**

Filed: 12/11/00
Substantial Issue: 03/7/02
Staff: JB-SC
Staff report: 04/22/04
Hearing date: 05/12/04

STAFF REPORT: COASTAL DEVELOPMENT PERMIT

Local government:San Luis Obispo County

Local Decision:Approved with conditions (see Exhibit C).

Appeal NumberA-3-SLO-00-156

Applicant.....Dave and Jan Crowther

AppellantsCommissioners Sara Wan & Dave Potter

Project location8525 Van Gordon Creek Road, Cambria. San Luis Obispo County (APN 013-011-015) (see Exhibit A).

Project descriptionAllow conversion of an existing single-family residence to a 5-unit bed-and-breakfast.

File documents.....County local permit file D000010P; San Luis Obispo County Certified Local Coastal Program.

Staff recommendation ...Approve with Conditions

Summary of Staff Recommendation

The proposed development is to allow the conversion of an existing 6,000 square foot single-family residence to a 5-unit bed-and-breakfast (B&B). The project does not require any new structural development or the expansion of the residence, except to provide wheelchair ramps and enlarged doorways for improved access. The proposed development is located entirely on Agricultural (AG) lands in the rural North Coast Area of San Luis Obispo County. Current land uses on the property include cattle grazing and avocado farming, which are to remain the primary uses of the property supplemented by the income generated from the B&B.

The standard of review for this project is the San Luis Obispo County certified LCP. Under the certified LCP this type of development is characterized as a “supplemental non-agricultural use.” For a supplemental use to be authorized on agriculturally zoned lands, the LCP requires, in part, a determination that continued or renewed agricultural use is not feasible without the proposed supplemental use. Other requirements include siting non-agricultural development on non-prime soils, with limited exceptions, and assuring that non-agricultural uses do not conflict with ongoing agricultural uses of the land. To maximize protection of agriculture, the LCP also requires all remaining agricultural



California Coastal Commission
May 2004 Meeting in San Rafael

Staff: J.Bishop Approved by:

land to be placed in an agricultural easement as a condition of approval.

At the March 2002 meeting in Monterey, the Commission determined that a substantial issue exists with respect to the grounds on which the appeal was filed. The *de novo* hearing was continued to provide Staff with the opportunity to obtain additional information from the Applicant pertaining to: 1) the architectural interest of the existing residence; 2) the economic viability of agricultural activities; and 3) the recordation of an agricultural/open space easement covering all remaining agricultural lands, as required by the certified LCP for approval of such development.

After subsequent review of new materials submitted by the Applicant, Staff recommends that the Commission **approve with conditions** a coastal development permit for the conversion of an existing single-family residence to a B&B. With the recommended conditions of approval, particularly the requirement to place all remaining land in an Agricultural Easement, the proposed project can be found consistent with applicable Local Coastal Program policies and ordinances pertaining to supplemental uses on agricultural lands.

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E. Graphic Depiction of Development Envelope and Required Agriculture Easement

I. Standard of Review for Appeals

Section 30625(b) of the Coastal Act requires the Commission to conduct a *de novo* coastal development permit hearing on an appealed project unless a majority of the Commission finds that “no substantial issue” is raised by such allegations. The Commission found “substantial issue” on March 7, 2002 requiring a *de novo* hearing. Under section 30604(b), when the Commission conducts a *de novo* hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter Three of the Coastal Act, if the project is located between the first public road and the sea, which is not the case with this project.

II. Staff Recommendation on CDP Application

The staff recommends that the Commission, after public hearing, **approve** a coastal development permit for the proposed development subject to the standard and special conditions below.

Motion. *I move that the Commission approve Coastal Development Permit Number A-3-SLO-00-156 pursuant to the staff recommendation.*

Staff Recommendation of Approval. Staff recommends a **YES** vote. Passage of this motion will result in approval of the coastal development permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution to Approve a Coastal Development Permit. The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the provisions of the San Luis Obispo County certified Local Coastal Program. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

III. Conditions of Approval



A. Standard Conditions

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the Permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the Permittee to bind all future owners and possessors of the subject property to the terms and conditions.

B. Special Conditions

1. **Scope of Permit.** This coastal development permit authorizes the conversion of an existing 6,000 square foot single-family residence to be used as a 5-unit bed-and-breakfast (B&B) for the purpose of supplementing continued agricultural use of the site; parking area improvements; and construction of a new access ramp.
2. **Compliance with Local Conditions of Approval.** Except to the extent of any inconsistency with the revised project approved by this permit, all 8 conditions of San Luis Obispo County Permit # D000010P become conditions of this permit. Because the County imposed these conditions under legal authority that included but was not limited to the Coastal Act, they remain binding on the Applicant as County requirements notwithstanding the Commission's action on this appeal (See Exhibit C of this report for a copy of the local conditions of approval).
3. **Agricultural Use Restriction.**



A. No development, as defined in section 30106 of the Coastal Act shall occur in the Agricultural Easement Area described and depicted in an Exhibit attached to the Notice of Intent to Issue Permit (NOI) that the Executive Director issues for this permit except for:

1. Agricultural production activities defined as “activities that are directly related to the cultivation of agricultural products for sale. Agricultural products are limited to food and fiber in their raw unprocessed state, and ornamental plant material;”
2. Agricultural support facilities directly related to the cultivation of food, fiber, and ornamental plants being undertaken on the site (recognizing that all agricultural support facilities must be consistent with all resource protection standards of the LCP);
3. Restoration, protection, and enhancement of native habitat and/or sensitive resources (e.g., wetlands, streams, and coastal prairie grasslands).

B. PRIOR TO ISSUANCE BY THE EXECUTIVE DIRECTOR OF THE NOI OF THIS PERMIT, the Applicant shall submit for review and approval of the Executive Director, and upon such approval, for attachment as an Exhibit to the NOI, a formal legal description and graphic depiction of the portion of the subject property affected by this condition, which shall include all portions of Assessor Parcel Number 013-011-015 outside of the approved development envelope, as generally described and shown on Exhibit E attached to this staff report

4. **Deed Restriction. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT,** the applicant shall submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property (hereinafter referred to as the “Standard and Special Conditions”); and (2) imposing all Standard and Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the applicant’s entire parcel or parcels. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.



IV. Recommended Findings and Declarations

The Commission finds and declares as follows:

A. Project Location and Description

The project is located inland of Highway One on the northwest side of Van Gordon Creek Road, north of the community of Cambria, San Luis Obispo County (See Exhibit A). Highway One runs just west of and roughly perpendicular to Van Gordon Creek Road in the vicinity of the site. The site is visible from Highway One. The site consists of one parcel totaling approximately 193 acres in size. The property consists of flat bottom land (prime irrigated soils), relatively steep grassy hills, and windswept ridge tops. On the southern border of the property is Van Gordon Creek, which flows west into San Simeon Creek meeting the coast at San Simeon Beach State Park. The parcel is designated entirely for Agriculture (AG) in the San Luis Obispo certified Local Coastal Program. Combining designations for the property include Streams and Riparian Vegetation; and Geologic Study Area.

The property is currently used for livestock grazing and avocado farming. The property has approximately 24 acres of mature avocado orchards located within the fertile bottom land associated with Van Gordon Creek. Portions of the grasslands are leased for cattle grazing operations. Existing development on the property consists of a 6,000 square foot primary single-family residence, the original Van Gordon House used as farm support quarters, and a barn. The primary residence is fenced and partly surrounded by trees and ornamental landscaping.¹

The proposed project entails the conversion of the owner's 6,000 square foot primary residence into a bed-and-breakfast (B&B) with 5 guest units. The proposed project will result in no additional disturbance, except for the addition of an 18-foot entrance ramp built to ADA specifications, and includes the enlargement of an existing interior doorway on the ground floor. The doorway will be widened 2 inches for improved access. Of the 5 rooms designated for guest use, four are upstairs and one is on the ground floor. Within the fenced and landscaped area immediately surrounding the residence, there is parking for at least 12 cars. 10 parking spaces are located near the front door, one of which is sized to ADA specifications. The existing parking area will be improved with chip seal, but will not be expanded in size.

The proposed site plans and elevations are attached as Exhibit 2.

¹ The San Luis Obispo County LCP, which was certified by the Coastal Commission in 1988, requires a discretionary land use permit/coastal development permit for residential development on land zoned for Agriculture (AG). The subject 6,000 square foot single-family residence was issued a construction permit in 1989 and built in 1991 and is therefore subject to the permitting requirements of the certified LCP. At this time, Commission staff has been unable to locate records showing that the existing SFD was built with the benefit of a discretionary coastal development permit (CDP). According to the Applicant, the Coastal Commission authorized development of the 6,000 square foot residence. Staff will continue to work with the applicant to resolve the questions surrounding the permit history of the primary residence. Should Staff determine that a valid CDP was not issued for the existing primary residence, the project will be referred to the Commission's Enforcement Division for further review.



B. Issue Analysis

1. Non-Agricultural Uses on Agricultural Lands

The San Luis Obispo County certified LCP is protective of coastal agricultural lands. The LCP requires that existing agricultural land remain in agricultural uses, and limits the conversion of agricultural lands to non-agricultural uses. When non-agricultural uses are allowed to supplement continued agricultural uses, the LCP requires that remaining agricultural lands be placed in protective easements. A major goal of the LCP is to “encourage the protection of commercial agriculture land, both prime and non-prime soils, for the production of food, fiber, and other agriculture commodities (LCP Framework goal).”

1.1 Relevant LCP Provisions

The following sections of the LCP include the standards for non-agricultural uses on agricultural lands:

***Agriculture Policy 3:** In agriculturally designated areas, all non-agricultural development which is proposed to supplement the agricultural use permitted in areas designated as agriculture shall be compatible with preserving a maximum amount of agricultural use. When continued agricultural use is not feasible without some supplemental use, priority shall be given to commercial recreation and low intensity visitor-serving uses allowed in Policy 1.*

Non-agricultural developments shall meet the following requirements:

- a. No development is permitted on prime agricultural land. Development shall be permitted on non-prime land if it can be demonstrated that all agriculturally unsuitable land on the parcel has been developed or has been determined to be undevelopable.*
- b. Continued or renewed agricultural use is not feasible as determined through economic studies of existing and potential agricultural use without the proposed supplemental use.*
- c. The proposed use will allow for and support the continued use of the site as a productive agricultural unit and would preserve all prime agricultural lands.*
- d. The proposed use will result in no adverse effect upon the continuance or establishment of agricultural uses on the remainder of the site or nearby and surrounding properties.*
- e. Clearly defined buffer areas are provided between agricultural and non-agricultural uses.*
- f. Adequate water resources are available to maintain habitat values and serve both the proposed development and existing and proposed agricultural operations.*
- g. Permitted development shall provide water and sanitary facilities on-site and no extension of*



urban sewer and water services shall be permitted, other than reclaimed water for agricultural enhancement.

- h. The development proposal does not require a land division and includes a means of securing the remainder of the parcel(s) in agricultural use through agricultural easements. As a condition of approval of non-agricultural development, the county shall require the applicant to assure that the remainder of the parcel(s) be retained in agriculture and, if appropriate, open space use by the following methods:*

Agricultural Easement. *The applicant shall grant an easement to the county over all agricultural land shown on the site plan. This easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land covered by the easement to agriculture, non-residential use customarily accessory to agriculture, farm labor housing and a single-family home accessory to the agricultural use.*

Open Space Easement. *The applicant shall grant an open space easement to the county over all lands shown on the site plans as land unsuitable for agriculture, not a part of the approved development or determined to be undevelopable. The open space easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land to non-structural, open space uses.*

Development proposals shall include the following:

- a. A site plan for the ultimate development of the parcel(s) which indicates types, location, and if appropriate, phases of all non-agricultural land and all land to be used for agricultural purposes. Total non-agricultural development area must not exceed 2% of the gross acreage of the parcel(s).*
- b. A demonstration that revenues to local government shall be equal to the public costs of providing necessary roads, water, sewers, fire and police protection.*
- c. A demonstration that the proposed development is sited and designed to protect habitat values and will be compatible with the scenic, rural character of the area.*
- d. Proposed development between the first public road and the sea shall clearly indicate the provisions for public access to and along the shoreline consistent with LUP policies for access in agricultural areas.*

[THIS POLICY SHALL BE IMPLEMENTED PURSUANT TO SECTION 23.04.050 OF THE CZLUO.]



CZLUO Section 23.04.050 – Non-Agricultural uses in the Agriculture Land Use Category:

a. **Sighting of structures.** *A single-family dwelling and any agricultural accessory buildings supporting the agricultural use shall, where feasible, be located on other than prime soils and shall incorporate mitigation measures necessary to reduce negative impacts on adjacent agricultural uses.*

b. **Supplemental non-agricultural uses.**

(1) Supplemental non-agricultural uses defined: *Uses allowed by Coastal Table “O” in the Agricultural category that are not directly related to the principal agricultural use on the site. (Example: where crop production or grazing are the principal agricultural use of a parcel, petroleum extraction, mining, or rural sports and group facilities may be allowed as supplemental non-agricultural uses consistent with this section.*

(2) Priority supplemental non-agricultural uses. *When continued agricultural use is not feasible without some supplemental use, priority shall be given to commercial recreation and low intensity visitor-serving uses allowed by Coastal Table “O”, Part I of the Land Use Element.*

(3) Permit requirements: *Minor use permit approval, unless Development Plan approval is otherwise required by another provision of this title or planning area standard of the Land Use Element.*

(4) Required findings: *Supplemental non-agricultural uses may be established only if the following findings are made by the applicable approval body:*

(i) For prime soils, it has been demonstrated that no alternative project site exists except on prime soils; and

(ii) The least amount of prime soils possible will be converted; and

(iii) The proposed use will not conflict with surrounding agricultural lands and uses.

(5) Application content...

(6) Site Design and development standards. *A land use permit for a supplemental non-agricultural use shall not be approved unless the proposed project will satisfy all the following requirements.*

(i) Project location. *The project shall be designed so that no development occurs on prime agricultural soils except where it is demonstrated that all agriculturally unsuitable land on the site has been developed or cannot be used because of*



terrain constraints.

- (ii) Limitation on project area.** *The total area of the site allocated for supplemental non-agricultural uses shall not exceed two percent of the gross site area.*
- (iii) Priority for agricultural uses.** *The primary use of the site shall be the continuing, renewed or expanded production of food and fiber. The proposed supplemental use shall support, not interfere with, and be economically necessary to the primary use of the site as a productive agricultural unit.*
- (iv) Prevention of land use conflicts.** *The proposed use shall be designed to provide buffer areas between on- and off site agricultural and non-agricultural uses to minimize land use conflicts.*
- (v) On-site water resources.** *Adequate water resources shall be available to the site, to maintain habitat values and serve both the proposed development and existing and proposed agricultural operations.*
- (vi) Urban services prohibited.** *No extension of urban sewer and water services shall be permitted to support on-site agricultural operations or other uses, except for reclaimed wastewater that may be used for agricultural enhancement.*
- (vii) Land division prohibited.** *The project shall not require land division.*
- (7) Guarantee of continuing agricultural or open space use.** *As a condition of approval of a supplemental non-agricultural use, the applicant shall insure that the remainder of the parcel(s) be retained in agriculture, and if appropriate, open space use by the following methods:*

 - (i) Agricultural Easement.** *The applicant shall grant an easement to the county over all agricultural land shown on the site plan. Such easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land covered by the easement to agriculture, farm labor housing, and a single-family dwelling accessory to the agricultural use.*
 - (ii) Open Space Easement.** *The applicant shall grant an open space easement to the county over all lands shown on the site plan as land unsuitable for agriculture, not a part of the approved development or determined to be undevelopable. The open space easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land to non-structural, open space uses.*

1.2 Analysis



The project is located in the rural North Coast Area of San Luis Obispo County. The project site is located in an agricultural area on a property zoned entirely for Agriculture (AG). The LCP protects coastal agriculture by prohibiting unnecessary land conversions and incompatible uses, but allows for non-agricultural uses on agricultural lands when a continuation of agriculture is not feasible without some supplemental uses. Priority for non-agricultural uses on agricultural land is given to commercial recreation and low-intensity visitor serving uses (Policy 3).

Together, Policy 3 for Agriculture and CZLUO Section 23.04.050 establish several tests, which must be applied to any proposal for a supplemental non-agricultural use on agricultural land. With the exception of the requirement to put all remaining land into an agricultural or open space easement (See Special Condition 2), the proposed project adequately addresses the tests for the proposed non-agricultural use on agricultural lands. These requirements are summarized in Table 1 below:

Table 1.

| Agriculture Policy 3 | CZLUO Section 23.04.050 | Is Proposal Consistent with the LCP? |
|---|--|--|
| a. No development permitted on prime agricultural land. Development on non-prime land is permitted if it is shown that all agriculturally unsuitable land is developed or is undevelopable. | 23.04.050b(6)(i). No development shall occur on prime soils except where demonstrated that all agriculturally unsuitable land has been developed or cannot be used because of terrain constraints. | Yes. The residence exists on-site. The change in use does not require structural expansion of the home or conversion of any agricultural land. Development is on non-prime agricultural land. |
| b. Continued or renewed agricultural use is not feasible as determined by economic studies of existing and potential agricultural use without the proposed supplemental use. | 23.04.050b(6)(iii). The proposed non-agricultural use shall support and be economically necessary for primary use of the site as a productive agricultural unit. | Yes. Information has been submitted which shows that the proposal is economically necessary for continued agricultural use. |
| c. Proposed use will allow for and support continued use of the site as a productive agricultural unit. | 23.04.050b(6)(iii) – see above. | Yes. See “b” above. |
| d. Proposed use will not adversely affect existing or new | 23.04050b(6)(iv). Proposed use shall provide buffers between | Yes. The proposed B&B (non-agricultural use) is located in an |



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| agricultural uses on the remainder of the site or on nearby properties. | on- and off-site agricultural and non-agricultural uses. | existing residence. The area immediately surrounding the residence is fenced and landscaped providing a physical buffer. Van Gordon Creek Rd. also provides a physical buffer between the residence and avocado orchards to the south. Van Gordon Creek provides a natural buffer between the B&B and adjacent agriculture. The proposed B&B is well within the boundaries of the parcel and will not conflict with off-site agricultural operations. |
| e. Clearly defined buffer areas are provided between agricultural and non-agricultural uses. | 23.04050b(6)(iv) – See above | Yes. See “d” above. |
| f. Adequate water is available for habitat values and to serve the proposed use as well as existing and proposed agricultural operations. | 23.04.050b(6)(v). Adequate water resources are required on-site to maintain habitats and serve both the agricultural use and the proposed use. | Yes. The proposed B&B use is within an existing residence with existing on-site domestic water supplies. Water is obtained through 5 wells on the property and according to the Applicant the wells have never gone dry. Increased water use resulting from the new B&B is minimal, particularly in relation to the existing agricultural irrigation water use. Without the B&B use, an over-intensification of avocado and/or other irrigated agriculture may result to the detriment of riparian habitats along Van Gordon Creek. |
| g. No extension of urban sewer and water services is permitted | 23.04.050b(6)(vi). Urban water and sewer service shall not be | Yes. No utility extensions are required. |



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| and the permitted development shall provide water and sanitary facilities on-site. | extended to support on-site agricultural or other uses. | required. |
| h. No land division is required and the remainder of the parcel is secured in agricultural use through an agricultural easement. | 23.04.050b(6)(vii). The project shall not require a land division. | No (Yes with Special Condition 2). No land division is proposed. Special Condition 2 of this permit requires an Agricultural Easement on the remainder of the parcel. With this condition the remainder of the parcel is secured in agricultural use. |
| i. A site plan shall be submitted showing subsequent phases of development, undevelopable non-agricultural land, and all land to be used for agricultural purposes. Total non-agricultural development areas must not exceed 2 percent of the gross acreage of the parcel. | 23.04.050b(5) – application content. Application shall contain information required by section 23.02.033 et seq., as well as additional information required by this section. | Yes. This permit does not allow subsequent phases. The Applicant has provided a site plan showing agricultural and non-agricultural land. The plan shows roughly 2 of 193 acres dedicated to non-agricultural land (includes the residence, parking area, gardens, and driveway). This is <u>less</u> than the allowed 2% of gross acreage. |
| j. A demonstration that revenues to local government would equal the public costs of providing necessary roads, water, sewers, fire and police protection. | 23.04.050b(5)(ii). Requires documentation demonstrating that revenues to local government from the project will equal public expenses to provide or maintain public services to serve the project. | Yes. No public expenses are anticipated. The County record also shows that the project is within the North Coast Circulation fee area and will be subject to those fees. The circulation fees will cover area wide traffic expenses resulting from the project. |
| k. A demonstration that the project siting and design would protect habitat values and be compatible with the scenic, rural character of the area. | 23.04.050b(5)(iii). Requires documentation that demonstrates the proposal is designed and sited to protect habitat and be compatible with rural character of the surrounding area. | Yes. The change in use from a single-family residence to a B&B is compatible with the character of the area and will not impact habitat values. The development is proposed in an existing residence. No |



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| | | existing residence. No additional land disturbance is proposed. The residence is currently screened with extensive landscaping. Increased traffic related to the non-agricultural use was determined to be insignificant. |
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As shown in Table 1 above, the first set of tests under the LCP generally addresses direct conversion of agricultural land. In particular, the LCP aims at limiting the conversion of agricultural land containing prime soils. The subject property contains a mix of prime and non-prime soils. In this case, all prime soils are currently planted with mature avocados and will not be converted as a result of the project. All other land, including the land associated with the residence, contains non-prime soils (Class III irrigated and non irrigated). The change in use does not require any new structural development or additional areas of ground disturbance. Therefore, no issues are raised with respect to the direct conversion or loss of agricultural lands.

Another test under the LCP is to ensure that buffers are provided between agricultural and non-agricultural uses. Buffers are intended to separate the two types of uses so that one does not interfere with the other and so that agriculture will not be inhibited by non-agricultural uses. Currently, both physical (hard) and natural buffers (soft) exist on the property. The residence proposed for conversion is completely fenced off and surrounded by ornamental landscaping. These barriers isolate the residence from surrounding agricultural activities. Van Gordon Creek Road provides an additional physical buffer between the proposed B&B and other on-site agricultural uses. Van Gordon Creek and its associated riparian corridor provide a natural buffer between adjacent agricultural operations on the southern property boundary. Combined, these physical and natural features create adequate buffers between the two different types of uses proposed for the property.

The LCP also requires that adequate water be available to maintain habitat values and serve both the proposed use (B&B) and the existing agricultural operations. Under the LCP urban sewer and water service is not allowed to support the supplemental use. In this case, no new service connections are required. Water and septic systems already exist on-site and are adequate to serve the proposed B&B. Five on-site wells supply water to the property and according to the Applicant have never gone dry. The proposed change in use from a single-family residence to a B&B is not likely to have a significant increase in water use, particularly when compared to the amount of water used for agriculture. Thus, adequate water is available to support the development and continued agriculture.

Another test under the LCP deals with the economic need for the project. The LCP limits approval of supplemental uses to those that support agriculture and those that are economically necessary for



continued or renewed agriculture (Policy 3(b) and CZLUO 23.04.050(b)(6)(iii)). At the request of staff, the Applicant has submitted additional information regarding: 1) existing land use on-site, 2) annual income derived from current agricultural operations, 3) site characteristics affecting agricultural land use and production, 4) adjacent land uses, 5) potential of the site to support intensified food-producing agriculture, 6) estimated income from the proposed supplemental B&B development, and 7) potential impacts of the proposed development on agricultural food production. As required by the LCP, this additional information is necessary to show the economic need for the project before a supplemental non-agricultural use may be approved on agricultural land.

In this case, severe freezing events have resulted in multiple years of lost revenue that threaten ongoing agricultural use of the property. The property is 192.9 acres with all 24 acres of prime soils planted with mature avocados. Like most agricultural crops, avocados are subject to unusual weather events such as freezing. Avocados can lose multiple years worth of production with catastrophic freezes. Extreme freeze events not only destroy the fruit on the tree, but also harm the wood necessary to produce fruit in following years. Information provided by the Agricultural Commissioners Office indicates that the Applicant's orchard suffered severe damage in December of 1998/99 due to many nights of freezing temperatures. According to the Applicant, this is the second such freeze in last 10 years (1988 and 1998). After such an event, expenses increase while income is reduced. Economic losses are often accrued for many years following the severe freezes. This is evidenced by the Applicant's reported loss of significant income over multiple years following the catastrophic freeze event (1991-2003).

Intensified crop production at this location is problematic due to a combination of marginal soil conditions, regional climate, and limiting topography. As described, the current use of the property is a combination of avocado farming and cattle grazing. Because the prime soils are already completely occupied by avocado trees, and because the hillsides are too steep and unstable to support additional irrigated crops, the only areas left for planting are the non-prime soils on the windswept ridges. While it may be possible to plant avocados on the ridges, any trees planted would consume much more water per acre than the trees in the bottom land, and they would yield much less fruit per acre. The problems are rooted in the following: 1) When the tree is exposed to the drying effects of wind, water requirements are doubled; 2) The wind desiccates stigmas, flowers, and entire inflorescences, resulting in a low fruit set; 3) The fruit that does set is often knocked off by the high wind in this area; 4) Poor soils results in slow growth and overall lower yields. Other crops such as berries and wine grapes have been experimented with on adjacent parcels with little success. According to the Applicant, berries require more acidic soils than are present on the property and there is not enough heat in this microclimate to produce adequate sugar levels in wine grapes.

The remaining non-prime soils, roughly 166 acres, are leased out for cattle grazing. According to information provided by the Applicant, income derived from the cattle grazing operation secures only a few thousand dollars each year. Expanding the cattle grazing operation may generate some additional income, but is not likely generate enough to overcome losses and completely support continued or renewed farming. This is likely due to the substandard size of the parcel (192.9 acres) having limited



areas to support expanded grazing (the LCP requires a minimum parcel size of 320 acres for cattle grazing).

The proposed supplemental use will generate income to support continued agricultural use of the parcel. The estimated income from the proposed B&B is roughly \$50,000 per year. Following an “off” year of farming, the proposed B&B conversion would supplement the ongoing production of food and fiber by providing income during the time period that the avocado orchard would be recovering to full production. Thus, the proposed project is necessary to help support the long-term agricultural use of the land. Due to the reasons discussed above, the Commission can concur that continued agriculture is not feasible without the proposed supplemental use.

When continued agricultural use is not feasible without some supplemental use, the LCP gives priority to commercial recreation and low intensity visitor-serving uses. Although this issue was not discussed in the original appeal, the project can be viewed as having low intensity visitor serving and recreational qualities. The proposed B&B is a commercial endeavor located near popular beach access points and public recreation areas like San Simeon State Park. The B&B would support a total of 5 visitor-serving guest units. Given the small number of units and limited number of guests, the B&B use can be considered low intensity. Thus, when necessary to supplement agriculture, as is the case here, the B&B qualifies as a priority supplemental use under the LCP.

Lastly, the LCP requires as a condition of approval for supplemental non-agricultural uses on agricultural land that all remaining land be secured in agricultural use through an Agricultural Easement (Policy 3(h) and CZLUO Section 23.04.050b(7)). The LCP states:

23.04.050(b)(7) - Guarantee of continuing agricultural or open space use. *As a condition of approval of a supplemental non-agricultural use, the applicant shall insure that the remainder of the parcel(s) be retained in agriculture, and if appropriate, open space use by the following methods:*

(i) Agricultural Easement. *The applicant shall grant an easement to the county over all agricultural land shown on the site plan. Such easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land covered by the easement to agriculture, farm labor housing, and a single-family dwelling accessory to the agricultural use.*

(ii) Open Space Easement. *The applicant shall grant an open space easement to the county over all lands shown on the site plan as land unsuitable for agriculture, not a part of the approved development or determined to be undevelopable. The open space easement shall remain in effect for the life of the non-agricultural use and shall limit the use of the land to non-structural, open space uses*

The recordation of an Agricultural and/or Open Space Easement is a tool required by the LCP to protect viable agricultural lands, and more importantly to ensure that the remainder of the parcel is retained in



agriculture for the future. The County approval did not include such a condition. To protect long-term agriculture on the property, Special Condition 2 requires the applicant to record an Agricultural Easement covering all remaining property consistent with LCP Agriculture Policy 3(h) and CZLUO Section 23.04.050b(7). Uses allowed within the easement area limited to agricultural production activities directly related to the cultivation of agricultural products for sale; agricultural support facilities directly related to the cultivation of food, fiber, and plants; and habitat restoration and/or enhancement activities.

It is important to note, that after conversion of the existing residence to a B&B there would no longer be a stand alone “primary” single-family residence on the property. As described, the onsite Van Gordon House is currently used for farm support quarters and the existing 6,000 square foot residence will be converted into a “supplemental non-agricultural” B&B use. Thus, approval of the proposed conversion sets up the possibility of developing another primary residence on this property.

Inconsistent with the LCP, new residential development within the Agricultural Easement area would displace a significant amount of usable agricultural acreage and create more conflicts with surrounding agricultural operations. In this case, livable space remains available within the converted residence to allow a caretaker/B&B manager to reside. The site plan shows the master suite, library, bathroom and closet on the second floor not included for guest use. It would not be atypical for a B&B to have a live-in owner/operator on the premises. Under these circumstances a third house on the property could not be found to be “accessory to the agricultural use” of the property as required by the LCP. In other words, it is not appropriate to use this project as a mechanism to allow another residence to be built on the property, particularly given the economic hardships described by the Applicant in support of the current proposal.

With respect to farm support quarters, the LCP allows for one farm support unit per 20 acres in crops or 320 acres of grazing lands (CZLUO 23.08.167c(5)). As described, the onsite Van Gordon House is currently used as a farm support/caretaker’s residence for roughly 24 acres of avocados. Thus, the maximum allowable density of farm support quarters under the LCP has already been met.

Therefore, Special Condition 2 prohibits development of a new single-family residence within the Agricultural Easement area. In the event that the applicant would like to pursue additional site development in the future as part of a bonafide agricultural operation, a separate coastal development permit would be necessary and the potential agricultural, visual, and other resource impacts of such a proposal would be evaluated for LCP consistency at that time.

1.3 Conclusion

The proposed conversion of the existing residence to a B&B will not displace prime agricultural land, nor will it create conflicts with surrounding agricultural operations. The Commission can concur that continued, renewed, or intensified agriculture on the property is not feasible without the supplemental B&B. However, only with the inclusion of an Agricultural Easement covering the remainder of the



property can the project be found consistent with the LCP (See Special Condition 2). Thus, as conditioned, the project is in conformance with LCP's policies and ordinances for supplemental non-agricultural uses on agricultural land, and can be approved.

2. Bed and Breakfast Special Use Standards

2.1 Relevant LCP Provisions

The following sections of the CZLUO include the required standards of approval for bed-and-breakfast facilities in the Agricultural land use category:

Section 23.08.261: Bed and Breakfast Facilities: The following standards apply to bed and breakfast facilities located in other than the recreation, office and professional and commercial land use categories...The provisions of this section do not apply to the rental of bedrooms in a residence to the same tenant(s) for longer than seven days...

(a) Limitations on use.

(1) A bed and breakfast shall be established only in an existing single-family dwelling that has been determined by the Review Authority to be of historical or architectural interest except: where the bed and breakfast is located on a site in the Agriculture, Rural Lands, and Residential Rural categories with an existing conforming visitor-serving facility (e.g., winery, riding stables, health resorts), it may be established in one structure, with an exterior design style that is residential or agricultural in appearance, built expressly for a bed and breakfast facility where such facility is approved with a Minor Use Permit.

2.2 Analysis

In order to approve the conversion of an existing home to bed-and-breakfast (B&B) use in the Agriculture land use category, a finding must be made that the home proposed for conversion is of "historical or architectural interest" (CZLUO Section 23.08.261). The existing residence was constructed approximately twelve years ago. Due to this fact, analyzing the residence for its historical significance would be inappropriate. Therefore, finding the home to be architecturally interesting is the more applicable standard of review to address this LCP required standards for this type of use conversion.

According to information submitted by the applicant, the residence can be found to be architecturally interesting. While architectural interest is a subjective standard, a number of design features were described supporting the Applicants claim that the residence is of architectural interest. They include:

- The residence is a classic multi-gable stone house resembling a French farmhouse;
- The residence contains custom stained glass windows from a noted local artist;



- Interior designs include cathedral ceilings with exposed beam trusses and handmade ironwork;
- Stone used for walls, pillars, and fireplaces were all quarried locally.

Another interesting aspect of the project is the idea that visitors would be able to experience a working coastal avocado farm while enjoying the agrarian landscape of the rural North Coast. As described in the previous finding, this type of visitor-serving use (B&B) is also a priority use for supplemental non-agricultural uses on agriculturally zoned land.

2.3 Conclusion

The existing residence to be converted into a B&B is found to be “architecturally interesting” and meets CZLUO Section 23.08.261 (Bed and Breakfast Facilities) of the certified LCP. Thus, the project is consistent with the LCP’s special use standards for bed-and-breakfast facilities and can be approved.

C. California Environmental Quality Act (CEQA)

The County determined that this permit was exempt from CEQA review. However, this report has identified and discussed certain additional potential adverse impacts (land use and water resource issues) not fully addressed by the local government. The proposed well would be located within the Cal-Am service area and has less environmentally damaging alternatives than using the proposed well as a water supply well for irrigation of landscaping. Therefore, as there are feasible alternatives that would lessen any significant adverse effects on the environment within the meaning of the California Environmental Quality Act (CEQA), this application must be denied.

